

Idaho. In the meantime, while they are coming, let me say I have briefly listened to my friends on the other side of the aisle, interestingly enough, complaining about not getting anywhere. Let me talk a little bit about that.

We have been here on the floor now for some time talking about the kinds of things people want to do in this country; for instance, education—elementary and secondary education. We had to pull that after a whole week of discussion and debate because our friends on the other side of the aisle didn't want to move forward. They wanted to bring up the same things they have brought up every time we have come into this Chamber, and they have done it over and over and over again.

If you want to talk about getting something done, we ought to talk a little bit about education, a little bit about Social Security, a little bit about the military and doing some things for security that we ought to do for this country. Frankly, I think some of us get weary of the same litany every day and going back and forth on the same thing. We have already talked about gun control; we have gun control pending. We have talked about Patients' Bill of Rights; it is pending. It is out there in conference committee. What we need to do is address ourselves to some of the issues that are here.

You can see that I get just a little bit excited about this. But we have an opportunity to do some things. We have to do some things on this floor, and we need to move forward and stop this business of holding up everything so we can talk about trying to make issues for the election instead of trying to find solutions.

I yield to my friend, the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. GRAMS. Thank you very much, Mr. President.

I thank my colleague from Wyoming for all his good work in trying to keep us focused on the issues about which we are concerned.

#### ORDER OF PROCEDURE

Mr. GRAMS. Mr. President, I ask unanimous consent that following the official Senate photo, the Senate begin consideration of S. 2549, the Department of Defense authorization bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAMS. I thank the Chair.

#### THE FUTURE OF SOCIAL SECURITY

Mr. GRAMS. Mr. President, I want to take time today to again talk about what I think is one of the most important issues facing Americans this year, and probably in the next few years;

that is, what is the future of Social Security? How are we going to make sure we have a safe and sound retirement system not only for those on retirement today and those about to retire, but also for our children and our grandchildren?

I have held around the State of Minnesota more than 50 townhall meetings trying to outline the problems facing Social Security today, and a plan I have introduced called the Personal Security and Wealth in Retirement Act, which would move from a pay-as-you-go system to a fully-funded, market-based personal retirement accounts.

When you look back at the last 65 years of Social Security, it has basically done the job we have asked it to do; that is, to provide retirement benefits for millions of Americans. But if you look ahead to the next 30 years, the system has problems. It is facing some real problems. It is being strained to the limit. In fact, there will not be enough dollars collected in the system to pay the benefits the Government has promised. If the Congress does nothing, Social Security benefits will have to be reduced as much as one-third or more over the next 25 years.

The biggest risk to Social Security is to do nothing. And there are those who are willing to stick their heads in the sand maybe to get by another election and to ignore the problems facing Social Security.

Let me go through some of these things very quickly.

When Franklin Delano Roosevelt introduced Social Security in 1935, he had concerns that it would only be run by the Government. He wanted part of it to be private accounts. In fact, there was many Americans who were allowed to stay outside of Social Security. In fact, there have been a number of state and local governments over the years—as late as 1981—that saw this loophole, opted out of Social Security, and created their own personal retirement accounts. None of them, by the way, has failed; all have been successful. By that I mean they are paying better benefits to their retirees than Social Security is paying to our retirees today.

President Roosevelt also said that there should be a three-legged stool for Americans' retirement: personal savings, pension, and Social Security. Social Security is just one of the legs. It was never meant to be the sole source of retirement benefits. But for millions of Americans today—when they are paying an average tax bill of nearly 40 percent of their wages in taxes, then they try to raise their family; buy food, clothing, shelter; put a little money away for vacations, and for education for their kids, et cetera—they do not have money left to save for their retirement. If you work for an employer that doesn't have a pension or 401(k), your only source of retire-

ment is Social Security. Clearly, Social Security has stretched to its limit.

Right now, 78 million baby boomers are ready to hit the system by the year 2008. The majority of Americans—nearly 90 percent—retire at the age of 62, not at 65. We are going to see baby boomers bumping into the system beginning as early as 2008. Social Security spending will exceed tax revenues by 2015.

We hear about all of these surpluses in Social Security and the trust fund.

But the truth is there is nothing in the trust fund but IOUs. Senator FRITZ HOLLINGS of South Carolina says there is no trust, and there are no funds in the Social Security trust funds. He is right.

By 2015 there will be no more surpluses. In other words, if we are collecting \$100 today and only spending \$90, the other \$10 is put into this trust fund. Of course, the Government borrows the surplus and spends it. By the year 2015, we will be bringing in \$90 and paying out \$100 or more. Where do we get the extra money? We are going to have to get it from the taxpayers. By 2015, taxes are going to have to be raised to cash in these IOUs in order to pay the benefits at that time.

You hear a lot of Senators and others saying the system is solvent until 2037. That is only if we can raise taxes on workers to pay those benefits. That is the only way it can remain solvent. Congress is going to have to take action. The Social Security trust fund is going to be broke in 2037 unless we have the dollars to cash in those IOUs. The reason is our pay-as-you-go retirement system cannot meet the challenge of the demographic change.

In 1940, there were about 100 working for every retiree. Today, there are a little over 2.5. By the year 2025, there will be fewer than 2. In 1940, with 100 people working, you only had to pay \$10 a month to pay for a \$1,000 benefit. Today, it is over \$400. And we are going to ask our grandchildren to pay \$500 or more in order to meet this obligation of retirement benefits.

If you look over the next 75 years, it is going down like a rock. There is \$21.6 trillion in unfunded liabilities. In other words, the benefits the Government has promised to pay—\$21.6 trillion—are short of revenues we need to pay those benefits.

How are we going to make them up? There are a couple of choices. We can raise taxes and tinker a little bit with the system. But you cannot tinker with \$21.6 trillion deficit. They can cut benefits by a third of what retirees can expect to get. Or they can raise the retirement age. But that will not be enough to make up the \$21.6 trillion in deficits over the next 75 years if we don't do make hard choice to save the system.

My plan, the Personal Security and Wealth in Retirement Act, has a transitional cost as well. But it is the cost